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TO RUEHC/SECSTATE WASHDC IMMEDIATE 0063
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 5176
RUEHBY/AMEMBASSY CANBERRA 4193
RUEHUL/AMEMBASSY SEOUL 7826
RUEHSV/AMEMBASSY SUVA 0029
RUEHKO/AMEMBASSY TOKYO 7701
RUEHWL/AMEMBASSY WELLINGTON 1493
RUEHCN/AMCONSUL CHENGDU 1249
RUEHGZ/AMCONSUL GUANGZHOU 9308
RUEHHK/AMCONSUL HONG KONG 6377
RUEHGH/AMCONSUL SHANGHAI 0120
RUEHSH/AMCONSUL SHENYANG 5210
RHHMUNA/USPACOM HONOLULU HI
RHEFDIA/DIA WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC
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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 001572

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E.O. 12958: DECL: 05/05/2031

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SUBJECT: TAIWAN CONCERNED ABOUT TIES WITH SOLOMON ISLANDS
FOLLOWING PM SOGAVARE'S ELECTION

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Classified By: AIT Deputy Director David J. Keegan.
Reason(s): 1.4 (B/D)

11. (C) Summary: Taiwan has been working to keep a low profile in the Solomon Islands following recent anti-Chinese riots that some blamed on alleged political bribery by Taiwan and ethnic Chinese business people. Prime Minister Mannaseh Sogavare reportedly announced prior to his May 4 election that he would consider switching diplomatic recognition from Taipei to Beijing, although he tempered his language following his election as PM. While Taipei has expressed confidence in maintaining ties under Sogavare, the Solomon ambassador to Taiwan has characterized the relationship as "murky." Taiwan will step up efforts to hold on to the Solomons, but will have to tread carefully to avoid charges of engaging in a checkbook diplomacy battle with Beijing in the region. End Summary.

Short Term Plans and Assessment

12. (C) Because of charges of political bribery involving the mid-April election of Solomon Prime Minister Rini, whose short term was ended by post-election rioting, MOFA Section Chief Wang Chiang told AIT that Taiwan had no choice but to "do nothing" and adopt a hands-off stance in the run-up to the May 4 parliamentary vote for Prime Minister. Taiwan believes the media distorted Sogavare's public statement that he would consider switching diplomatic recognition to Beijing if elected. Wang pointed out that the platform of Sogavare's political party included maintaining diplomatic relations with Taiwan. MOFA, according to Wang, nevertheless remains concerned that members of other parties in the coalition supporting Sogavare, including the National and Liberal Parties, have made numerous trips to the PRC, have made pro-PRC statements, and may have been bribed by the PRC.

Status of Diplomatic Ties with the Solomon Islands

13. (C) Solomon Islands Ambassador to Taiwan Beraki Jino told

AIT before Sogavare's election that the Solomon Islands has been a consistent supporter of Taiwan since it gained independence in 1978. Despite pressure from China, he did not expect a switch in recognition. The Solomon Islands, however, was the only Taipei-aligned nation to be invited by the PRC to participate in the recent China-Pacific Island Countries Economic Development and Cooperation Forum in Fiji, an event attended by PRC Premier Wen Jiabao. The timing of national elections was one factor in the Solomons' decision not to attend that forum.

14. (SBU) The Taiwan press reports that on May 4, immediately following Sogavare's election, two members of his new cabinet met with Taiwan's ambassador and assured him that the new government would maintain diplomatic ties with Taipei. Sogavare publicly remarked that the Solomons owe much to Taiwan, and that the question of diplomatic recognition will be addressed "at the appropriate time." MOFA officials told AIT that Sogavare has historically been a strong advocate for Taiwan and that he would not likely withdraw his support for Taiwan. Ambassador Jino was more circumspect, however, telling the press that Taiwan-Solomon relations were "murky," and noting that Sogavare had dodged media questions on the issue after his election.

Australian Interests

15. (C) Australian Deputy Representative Harry Genn stressed to AIT that his government takes its interests in the Solomon Islands seriously and is especially concerned about the safety and well-being of its police personnel who are now patrolling the streets of Honiara. Around April 20, he said, Canberra demarched the Taiwan Representative in Australia, pressing Taiwan to stop engaging in destabilizing activities in the Solomon Islands. Taiwan's initial response was a firm denial of any impropriety. Subsequently, the Taiwan

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representative clarified to Australia that funds legitimately provided by Taiwan to the Government of the Solomon Islands may possibly have been misused.

Taiwan Aid to the Solomons and Corruption

16. (C) Genn acknowledged that Taiwan's aid to the Solomons had been perhaps the most responsibly handled of any of Taiwan's aid programs and that there was genuine appreciation in the Solomons for Taiwan assistance. This sentiment was echoed by Ambassador Jino, who highlighted Taiwan assistance in the areas of education, health care, and agriculture. Taiwan has provided training in health services, built rural hospitals, and arranged for exchanges of medical personnel. On the education front, Taiwan is funding 500 Solomon Islands students' overseas study, as well as providing teacher training. Jino acknowledged that some Taiwan aid provided through the Rural Constituency Development Fund (RCDF) may have been misallocated by local politicians for personal gain. Jino argued that Malaysian logging companies, which were not connected to Taiwan, were a major source of political corruption in the Solomons.

17. (C) MOFA's Wang told AIT that the RCDF provides an equal amount of funding to each of the Solomons' 50 parliamentary constituencies. Total aid figures are kept confidential, he explained, to make it difficult for the PRC to easily outbid Taiwan on aid packages. Taiwan also has a Technical Mission funded by Taiwan's International Cooperation and Development Fund (ICDF), which funds projects in education, health, agriculture/fisheries, and basic infrastructure and services.

Chinese in the Solomons / Background Behind the Riot

18. (C) Ambassador Jino estimated the total ethnic Chinese population in the Solomons to be about 2500 people, 1,000-2,000 long-term ethnic Chinese Solomon citizens and around 500 newcomers. MOFA's Wang gave a lower estimate of

about 1000 for the total ethnic Chinese population in the Solomons, including 3-4 households of about ten people from Taiwan, apart from official Taiwan personnel. Ambassador Jino noted there were only two Taiwan businesses in the islands. During the post-election riots, most of these Taiwan residents evacuated to Brisbane.

¶9. (C) Jino explained that resentment toward Chinese is focused primarily on newcomers who have arrived in the past 2-5 years and who are blamed for corruption and for engaging in businesses that Solomon Islanders feel should be reserved for themselves. Solomon law requires 10 years of residency to obtain citizenship and gain access to jobs in certain protected, primarily low-skill, industries. A number of newly-arrived Chinese, however, have managed to obtain citizenship in only 2-3 years, allegedly through bribery of government officials. The post-election riots in late April were in part, Jino explained, a product of popular anger over this influx and special treatment. He noted that Tommy Chan, the head of former Premier Rini's political party, is a long-term ethnic Chinese Solomon Islander whose parents left the mainland in 1949.

¶10. (C) Ambassador Jino and MOFA's Wang separately expressed doubts that the recent riots in Honiara were wholly spontaneous. Jino noted that some businesses in Honiara's "Chinatown" had been left unscathed by the riots, and Wang pointed out that the riots started immediately after the election of former Prime Minister Rini. Wang speculated that opposition party elements were behind the organization of the protests, specifically, he alleged, Job Dudley Tausinga, head of the Party for Rural Advancement, one of Sogavare's coalition partners.

Comment

¶11. (C) With Sogavare's May 4 election victory, Taiwan may

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face a tough challenge in holding on to the Solomons. Taiwan fears that the loss of the Solomon Islands could weaken its hold on its five remaining diplomatic allies in the South Pacific region.

YOUNG